

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE APPLICATION FOR
APPROVAL OF THE ACQUISITION OF CONTROL
OF USABLE LIFE**

AID NO. 2021-

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ORDER

A hearing was held at 10:30 a.m. on October 26, 2021, in the Hearing Room of the Arkansas Insurance Department and virtually in accordance with the provisions of Ark. Code Ann. §§ 23-63-510 and other pertinent provisions of the Arkansas Insurance Code, pursuant to a June 7, 2021 Statement Regarding the Acquisition of Control of USable Life (“USable”) by the Applicant, Cambia Health Solutions, Inc. (the “Statement”), which included a Master Transaction Agreement dated April 26, 2021 by and among Life and Specialty Ventures, LLC, a Delaware limited liability company (“LSV”), Northwest LSV Holding Company, Inc., an Oregon corporation (“New HoldCo”), and the Applicant (the “Agreement”). The hearing was held before Dan Honey, Counsel (the “Hearing Officer”), pursuant to his appointment by Commissioner Alan McClain in accordance with Ark. Code Ann. § 23-61-103. The Arkansas Insurance Department (the “Department”) was represented by Amanda Capps Rose, Associate Counsel, and Mel Anderson, Deputy Commissioner for Financial Regulation.

The Applicant’s testimony was presented by Scott D. Musch, Vice President of Corporate Development, Cambia Health Solutions, Inc. The Applicant was represented by its attorneys, Jason D. Kimpel and Scott M. Kosnoff of Faegre Drinker Biddle & Reath LLP. USable’s testimony was presented by John H. Moran, Chief Financial Officer. USable was represented by its attorneys, Derrick W. Smith and Zachary T. Steadman, of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

FINDINGS OF FACT

From the Statement, related filings, testimony of the witnesses and other evidence introduced at the hearing, including exhibits filed in connection with the Statement, reports and statements on file with the Department, representations of counsel and other matters and things considered, the Hearing Officer finds as follows:

1. The Statement and related filings were filed herein on June 7, 2021 and supplemented thereafter. The parties agree that the Commissioner has jurisdiction of the parties and the subject matter under the provisions of Ark. Code Ann. §§ 23-63-510 and other pertinent provisions of the Arkansas Insurance Code. The Notice of Hearing was given within the time and in the manner required by law and the parties consented to the holding of this hearing at this time and on this date.

2. The Applicant will indirectly acquire a 17.6% equity ownership interest in LSV pursuant to the Agreement. LSV owns 100% of the issued and outstanding shares of common stock of US Able. By indirectly acquiring 17.6% of the equity ownership interests of LSV, the Applicant will acquire indirect control of the US Able. As the owner of 17.6% of the equity ownership interests of LSV, Applicant will have a limited ability to influence the operations of US Able after the closing. Although the Applicant (through New HoldCo) will have one seat on the LSV board, the Applicant will not have the ability to cause US Able to declare any extraordinary dividend, to liquidate US Able, to sell or pledge US Able's stock or any of its assets, to merge or consolidate it with any person or persons or make any other material change in the US Able's business operations, corporate structure or management, other than as described in the Statement.

3. To effectuate the proposed transaction, New Holdco, a subsidiary of the Applicant, will contribute and transfer to LSV 100% of the issued and outstanding shares of

LifeMap Assurance Company, an Oregon insurance company, in exchange for equity ownership interests of LSV.

4. Additionally, certain of the Applicant's affiliates will enter into:
 - a) a separate Dental Insurance Proportional Share Reinsurance Contract with USABLE (collectively, the "Dental Reinsurance Agreements"), and
 - b) together with Applicant, a single Administrative Services Agreement with USABLE,

pursuant to which the Applicant's affiliates will cede, and USABLE will reinsure and administer, certain dental insurance policies and self-funded dental benefit plans of these affiliates of the Applicant. The Applicant will receive additional equity ownership interest of LSV in connection with this reinsurance arrangement, such that, in total, Applicant will hold, indirectly, 17.6% of the equity ownership interests of LSV. On June 8, 2021, LSV filed a Form D Prior Notice of a Transaction with the Department with respect to these Dental Reinsurance Agreements and the Administrative Services Agreement.

5. Scott D. Musch, on behalf of the Applicant, testified that, in his opinion:
 - a) The proposed transaction will not prevent USABLE from being able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed;
 - b) The proposed transaction will not substantially lessen competition in insurance in Arkansas or tend to create a monopoly therein;
 - c) The proposed transaction will not jeopardize the financial stability of USABLE or prejudice the interest of its policyholders or the interest of any remaining security holders who are unaffiliated with the Applicant;

- d) The proposed transaction is not unfair or unreasonable to the security holders of USABLE;
- e) The Applicant does not have any plans or proposals to liquidate USABLE, sells its assets, or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management that would be unfair or unreasonable to policyholders of USABLE and not in the public interest; or
- f) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that they are in the interest of the policyholders of USABLE and of the public.

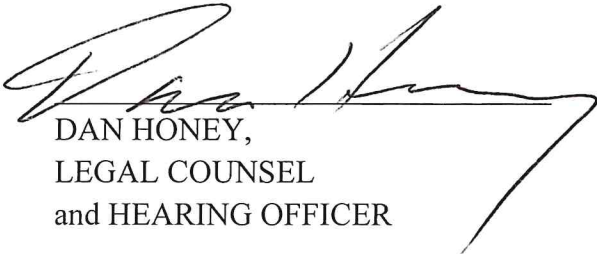
CONCLUSIONS OF LAW

1. All filings, hearings and other procedures required by law or otherwise deemed appropriate by the Hearing Officer have been duly completed by the Applicant and the Department.

2. None of the conditions specified in Ark. Code Ann. § 23-63-510 as preclusions for the approval of the proposed acquisition exist.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before him, the Hearing Officer recommends that the proposed acquisition of control of USABLE by the Applicant should be approved as provided in the Statement and related filings, and as described in this Order.



DAN HONEY,
LEGAL COUNSEL
and HEARING OFFICER

CERTIFICATION

I, Alan McClain, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Dan Honey, Legal Counsel, and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED, based upon the above and foregoing Findings of Facts, Conclusions of Law and other matters, the Insurance Commissioner does hereby approve the proposed acquisition of control of USable pursuant to and subject to the terms and conditions of the Statement and related filings and submissions, the Findings of Facts and Conclusions of Law.

IT IS SO ORDERED THIS 29 DAY OF OCTOBER, 2021.



ALAN MCCLAIN
INSURANCE COMMISSIONER
STATE OF ARKANSAS